

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: California Association of Marriage and Family
Therapists

BILL NUMBER: AB 1785
AUTHOR: Lowenthal, Bonnie

BILL SUMMARY: Medi-Cal: federally qualified health centers: rural health clinics.

This bill would add a marriage and family therapist (MFT) to the current list of health care professionals that qualify for a face-to-face encounter at a Federally Qualified Health Center (FQHC) or Rural Health Center (RHC). Doing so would qualify MFT services for Medi-Cal reimbursement for each visit, rather than as an indirect cost.

FISCAL SUMMARY

Adding MFT services as a reimbursable visit under Medi-Cal would increase General Fund costs due to the increase in the number of billable FQHC/RHC visits. There are approximately 1,000 clinics. The average reimbursement of a visit is \$140. If the number of monthly visits increase by 10,000 statewide; the annual General Fund could increase by \$8.4 million.

For the clinics that do not currently offer MFT services, they can request an adjustment to include the cost in their reimbursable rate. Their rate may decrease due to the MFT average salary being lower than the majority of the other professional care providers at the clinic and the anticipated increase in total visits. The average hourly salary rate of a MFT is \$22.96 and a licensed clinical social worker (LCSW) is \$25.03.

COMMENTS

Finance opposes the bill for the following reasons:

- The MFT services are already included in the indirect costs included in the Medi-Cal rates for FQHCs and RHCs.
- Adding these services as a direct reimbursable service would increase General Fund costs.

These clinics charge the Medi-Cal program a standard rate for each billable visit that represents the average cost per visit of serving Medi-Cal beneficiaries (including indirect costs). FQHCs/RHCs employ LCSWs and psychologists to provide mental health services and receive Medi-Cal reimbursement. FQHCs/RHCs are also allowed to hire MFTs but their direct services are not Medi-Cal reimbursable even though they provide the same services as the LCSWs and psychologists. Statewide there are more licensed MFTs than LCSWs and psychologists. There are approximately 31,800 licensed MFTs, 19,000 LCSWs, and 16,200 licensed psychologists in California.

Medi-Cal reimbursement to FQHCs/RHCs is paid on a per-visit basis under the prospective payment system (PPS) rate methodology. Only one visit per day is allowed to be billable, unless the subsequent visit is to a dental practitioner at the FQHC/RHC. MFT services are included currently in the PPS rate, but only as "incident to" a billable visit. The PPS rate methodology is calculated by the total allowable FQHC/

Analyst/Principal (0545) J.Wunderlich	Date	Program Budget Manager Ken DaRosa	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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COMMENTS (continued)

RHC cost divided by the total number of visits. The clinics that already provide MFT services would need to submit a Change in Scope of Service Request to change the service from indirect to a direct Medi-Cal reimbursable service. In the recalculation of the PPS rate, the rate may decrease or increase. Consequently adding MFT services as a direct reimbursable service would increase the number of visits. Additionally, it is anticipated that the clinics that currently do not provide MFT services would be likely to add this service. The increased number of Medi-Cal billable visits would increase General Fund costs.

	SO	(Fiscal Impact by Fiscal Year)					
Code/Department	LA	(Dollars in Thousands)					
Agency or Revenue	CO	PROP					Fund
Type	RV	98	FC	2011-2012 FC	2012-2013 FC	2013-2014	Code
4260/Hlth Care	LA	No		----- See Fiscal Summary -----			0001
4260/Hlth Care	LA	No		----- See Fiscal Summary -----			0890
<u>Fund Code</u>		<u>Title</u>					
0001		General Fund					
0890		Trust Fund, Federal					